

STATE OF WISCONSIN  
DEPARTMENT OF HEALTH AND FAMILY SERVICES  
DIVISION OF MANAGEMENT AND TECHNOLOGY  
BUREAU OF FISCAL SERVICES

ACCOUNTING PROCEDURE

TOPIC: Section 9-FMS Processing 4.1	EFFECTIVE DATE: 3/17/86
TITLE: Bureau of Information Systems Billings and IT Direct Purchases	REVISION DATE: 9/27/02
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**BACKGROUND**

The Bureau of Information Services (BIS) provides information technology (IT) services to the entire department. Organizations within the department are billed monthly for these services which include:

1. Programming by both state staff programmers and contract programmers from outside vendors.
2. Infrastructure support including hardware and software, outside contracted services, hardware and software maintenance, technical staff, and administrative staff. This is billed based on a rate per device connected to the network.
3. Purchase of hardware, software, and contracted services at the request of organizations in the department. These costs are billed, or passed-through to organizations via billings from BIS.

Divisions and institutions also procure IT equipment, software and services on their own. Proper accounting for all of these transaction types is essential to capture accurate information affecting operating budgets and projections.

**PROCEDURES**

1. BIS accountants prepare monthly billings for each division and institution for infrastructure and programming services using rates established annually. Journal vouchers to record payment of these billings are uploaded the following month so no action by divisions is needed for this portion of the BIS payments to occur. For all pass-through acquisitions, the WiSMART Accounts Receivable System is used to generate the invoice. These invoices must be processed timely as indicated below.
2. Each Management Director shall assign a central contact person in his/her division to be contacted by the Bureau of Information Systems for problem resolution or payment inquiry. The individual selected should be knowledgeable of BIS and related fiscal codings. This individual should have responsibility for processing the BIS invoices for payment. Please submit the individual's name, title, address, and telephone number to:

Supervisor, Technical Operations Support Services Unit  
Bureau of Information Systems  
1 West Wilson Street, Room B244  
P. O. Box 7850  
Madison, WI 53707-7850

3. All uncontested charges shall be entered on-line (FMS) or a voucher submitted to Bureau of Fiscal Services within 15 working days of receipt of the invoice.
4. The Division central contact person will advise the appropriate contact person listed on the BIS invoices in writing of any disputed amounts within 15 working days of receipt of the bill. Errors discovered later may be communicated at any time.
5. Billing staff and the Division contact person are to have the dispute settled within ten (10) working days of the written notification. If this is not possible, the dispute will be referred to the Supervisor of the Fiscal Services Unit in BIS.
6. An appropriate credit will be issued through the normal billing system on the disputed invoice.
7. The Bureau of Fiscal Services (BFS) is responsible for monitoring the BIS Accounts Receivable to determine if invoices are being paid in a timely manner. If any invoice is not paid within 30 days, an overdue notice is sent to the Division contact person. See **Section 4-  
Receivables 2.1** (Receivables--Other DHFS & State Agencies).
8. OMB A-87 allows federal reimbursement for interest; therefore, the interest portion of any BIS invoices, can be included in payments from Federal funding.

#### **EQUIPMENT PURCHASES**

The purchaser will have title to all equipment and software purchased through BIS. Title will reside with the purchaser regardless of the method of payment. Please review the applicable sections for account class changes.

Capital Assets are defined as equipment and software with an acquisition cost of \$5,000 or more and a useful life of two years or more. See **Section 8, Fixed Assets 1.0** (Capital and Non-Capital Asset and Inventory Systems). These items include computer equipment and software.

#### **DIVISIONS AND INSTITUTIONS**

##### **A. Purchases through the Bureau of Information Systems**

1. Use the following account classes for equipment or software with a unit cost of \$5,000 or more. See **Section 8-Fixed Assets 1.1** (Use of Capital Account Codes).

43011	Computer System Network Equipment
43012	DP Communication Equipment
43014	DP/WP Equipment
43017	Personal Computers
43211	DP/WP Software - \$5,000 and Over

See the Account Code Listing for detailed account class descriptions.

The above class categories will come from your internal services budget (Budget Account 74000B).

Use the following account classes to identify non-capital purchases and contracted services charged through the monthly BIS billing or other billings by BIS.

26075	Application Hosting charges
26077	BIS Programming-DHFS programmers (also 2620Z, non-allocating)
26079	BIS Programming-contract programmers (also 2620Z, non-allocating)
26080	BIS Data entry
26081	BIS DP/WP Software less than \$5,000
26082	BIS Major material and supplies
26083	Infrastructure (also 2607Z, non-allocating)

The above class categories will come from your internal services budget (Budget Account 72600W).

2. All purchases through the Bureau of Information Systems need to have a Purchase Order. If a purchase order is issued to BIS, include a Service Request Form (DMT-907) and send to the attention of your division's Customer Support Manager, 1 West Wilson, Room B174.

B. Direct purchases from outside vendors by divisions or institutions of IT hardware, software, and contracted services.

1. Use the following account classes for equipment and software with a unit cost of \$5,000.00 or more.

43001	Computer system network equipment
43002	DP Communication equipment
43004	DP/WP Equipment
43007	Personal computers
43201	DP/WP Software - \$5,000 and over

2. Use the following account classes to identify non-capital hardware and software and contracted services

26517 (2650Z)	<u>Contracted Services with an outside vendor</u>
37301	DP/WP Software (< \$5000)
37408	Computer materials and supplies (< \$5000)

**BUREAU OF INFORMATION SYSTEMS (BIS)**

**A. Purchases Of Fixed Assets By BIS For Their Own Use**

Purchases of fixed assets by BIS are used by staff in the daily administrative operations of BIS projects and/or LAN infrastructure.

1. Use the following account classes for equipment and software with a unit cost of \$5,000.00 or more.

43001	Computer System Network Equipment (Host)
43002	DP Communication Equipment
43004	DP/WP Equipment
43007	Personal Computers
43201	DP/WP Software - \$5,000 and Over

See the Account Code Listing for detailed account class descriptions.

All purchases in the above account class categories will come from your capital equipment budget. (Budget Account 74000A).

2. Use the following account classes to identify non-capital hardware and software and contracted services.

26517 (2650Z)	<u>Contracted Services with an outside vendor</u>
37301	DP/WP Software (< \$5000)
37408	Computer materials and supplies (< \$5000)

3. Individual purchase orders must be issued to outside vendors.

**B. Purchases of Equipment and Software By BIS For Resale To Customers**

Resales are defined as equipment and software purchased by BIS for resale to customers. These items include, but are not limited to, Personal Computers, Printers, Memory, Monitors, Laptop Computers, and Software. The purchase of equipment and software are funded through Appropriation 834, best known as the "pass-through" Accounts involving Projects 261 (Capital), 262 (Software) and 264 (Hardware).

1. Capital equipment purchases for resale to its customers should be coded to account class 42200, Appropriation 834, Project 261, R/A 700. Non-capital equipment should be coded to account class 39200, Appropriation 834, Project 264, R/A 700. Non-capital software should be coded to account class 39200, Project 262, R/A 700. The exception to the above is P-Card purchases, which are coded to Account Class 38100.
2. Individual purchase orders will be issued to the vendor.

**REFERENCES**

DHFS APP **Section 4, Receivables 2.1** (Receivables -- Other DHFS & State Agencies)  
DHFS APP **Section 8, Fixed Assets 1.0** (Capital and Non-Capital Asset and Inventory Systems)  
DHFS APP **Section 8, Fixed Assets 1.1** (Use of Capital Account Codes)

**CONTACTS**

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